

# INTEGRATING POOR INTO MARKET SYSTEMS

# WHY MARKET PARTICIPATION ?

- INPUT FOR PRODUCTION SYSTEM
- SELL THE PRODUCE  
**INCOME GENERATION**
- WHY SOME MAKE MORE MONEY

# STATUS OF SMALLHOLDERS' PARTICIPATION IN MARKET PROCESS

- SMALLHOLDERS IGNORED / BYPASSED BY MARKET
- REQUIRED PRODUCTS / SERVICES NOT APPROPRIATE / AFFORDABLE
- SMALLHOLDER PRODUCTION SYSTEM NOT IN TUNE WITH MARKET DEMAND
- SIZE AND LOCATION OF SMALLHOLDER PRODUCTION SYSTEM

THE NATURE OF MARKETS

SMALLHOLDERS BELONG TO

- MARKETSHED

# THE VALUE CHAIN

COMPRISES OF ALL DIFFERENT ENTITIES WHO CONTRIBUTE IN MAKING A PRODUCT / SERVICE AVAILABLE TO THE CONSUMER

- AT EACH LEVEL OF VALUE CHAIN THE PRICE CHANGES
- THERE COULD BE PARALLEL FLOW LINES IN THE VALUE CHAIN
- IMPROVING EFFICIENCY AT ANY ONE POINT MAY OR MAY NOT CHANGE THE STATUS OF CLIENTS

# THE VALUE CHAIN IN AGRICULTURE

## COMPONENTS : CONSTRAINTS

- **Input** – seed, sapling, fertilizer, pesticide, irrigation .....
- **On-farm** – agronomy, crop selection, crop timing .....
- **Output** – market access, price info across seasons, transport, market practices

# Constraint Analysis

- List out all identified constraints
- Group them on supply and demand side – it will provide clarity on their impact
- Identify critical constraints
- Identify existing / probable providers
- Explore market mechanism for needed products and services including market assessment and mode of payment

# Intervention design – criteria for selection of intervention

- Number of smallholders served
- Impact
- Sustainability
- Cost of intervention
- Resources available
- Synergy with other interventions, programs and partners
- Timeframe

# **Delivery strategy – who delivers, who pays, mode of payment**

- Who will deliver the products/services
- Who will pay for the products/services
- What will be the mode of payment
- How delivery system will be made sustainable

# IPMAS MODEL - INPUT

SERVICE	PROVIDER	RECEPIENT	PAYMENT
SEED	AGRI- INPUT DEALER	FARMER	DIRECT BY FARMER
SAPLING	NURSERY	FARMER	DIRECT BY FARMER
FERTILIZER PESTICIDE	AGRI- INPUT DEALER	FARMER	DIRECT BY FARMER

# IPMAS MODEL - INPUT

SERVICE	PROVIDER	RECEPIENT	PAYMENT
WATER TECH SYSTEM	MANUFACTURER	DISTRIBUTOR	DIRECT BY DISTRIBUTOR
WATER TECH SYSTEM	DISTRIBUTOR	DEALER	DIRECT BY DEALER
WATER TECH SYSTEM	DEALER	FARMER	DIRECT BY FARMER
SYSTEM INSTALLATION/SAS	INSTALLER / ASSEMBLER	FARMER	DIRECT BY FARMER

## IPMAS MODEL – ON FARM

SERVICE	PROVIDER	RECEPIENT	PAYMENT
AGRI. TECH	AGRI INPUT DEALER	FARMER	EMBEDDED
CROP SELECTION CONCEPT	AGRI INPUT DEALER	FARMER	EMBEDDED
CROP SELECTION CONCEPT	K.V.K.	FARMER	FREE

## IPMAS MODEL - OUTPUT

SERVICE	PROVIDER	RECIPIENT	PAYMENT
MARKET INFO.	INTERNET KIOSK	FARMER	DIRECT BY FARMER
MARKET INFO.	AGRIWATCH	FARMER	DIRECT BY FARMER

# Sustainability

- Institutional
- Financial

# Role of facilitator

- Tread lightly
- Develop competition
- Provide opportunity and flexibility to modify
- Develop contractual relation between facilitator and provider
- Focus subsidy on promotion and not on transaction
- Have clear exit strategy
- Coordinate with donors/facilitators